



HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE  
Physicians Health Plan

NAIC Group Code

3408

3408

(Current)

(Prior)

NAIC Company Code

95849

Employer's ID Number

38-2356288

Organized under the Laws of

Michigan

, State of Domicile or Port of Entry

MI

Country of Domicile

United States of America

Licensed as business type:

Health Maintenance Organization

Is HMO Federally Qualified? Yes [☐] No [☒]

Incorporated/Organized

12/18/1980

Commenced Business

10/01/1981

Statutory Home Office

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

Main Administrative Office

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

517-364-8400

(Area Code) (Telephone Number)

Mail Address

1400 East Michigan Avenue

(Street and Number or P.O. Box)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

517-364-8400

(Area Code) (Telephone Number)

Internet Website Address

www.phpmichigan.com

Statutory Statement Contact

Erin Flood

(Name)

517-364-8400

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517-364-8407

(FAX Number)

OFFICERS

President	Dennis J. Reese	Chief Financial Officer and Chief Operations Officer	George Schneider
Secretary and Treasurer	Thomas Hofman PhD	Chairperson	James Butler III

OTHER

DIRECTORS OR TRUSTEES

Diana Rodriguez Algra	James Butler III	April Clobes
Merritta Proctor	Timothy Hodge DO	Thomas Hofman PhD
Shalimar Maynard	David Kaufman DO	James Tischler
Brittany Bogan	Deborah Muchmore	Dennis Swan
Paula Reichle #	Dennis J. Reese #	

State of

Michigan

SS:

County of

Ingham

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Dennis J. Reese President	Thomas Hofman, PhD Secretary and Treasurer	George Schneider Chief Financial Officer and Chief Operations Officer
------------------------------	-----------------------------------------------	--------------------------------------------------------------------------

Subscribed and sworn to before me this

\_\_\_\_\_

 day of 

\_\_\_\_\_

a. Is this an original filing? ..... Yes [☒] No [☐]  
b. If no,  
1. State the amendment number.....  
2. Date filed .....  
3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....			0	
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	
2.2 Common stocks .....	47,874,653	445,679	47,428,974	44,358,804
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	
3.2 Other than first liens .....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	1,888,509	0	1,888,509	2,057,546
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....			0	
4.3 Properties held for sale (less \$ .....0 encumbrances) .....			0	
5. Cash (\$ .....(2,985,389) , Schedule E - Part 1), cash equivalents (\$ ..... , Schedule E - Part 2) and short-term investments (\$ .....26,511,385 , Schedule DA) .....	23,525,995		23,525,995	17,199,210
6. Contract loans, (including \$ ..... premium notes) .....			0	
7. Derivatives (Schedule DB) .....			0	
8. Other invested assets (Schedule BA) .....	11,544,831		11,544,831	11,021,765
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	84,833,988	445,679	84,388,309	74,637,325
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	
14. Investment income due and accrued .....	6,848	0	6,848	1,536
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	533,085	36,150	496,935	1,043,458
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	931,935	0	931,935	565,748
16.2 Funds held by or deposited with reinsured companies .....			0	
16.3 Other amounts receivable under reinsurance contracts .....			0	
17. Amounts receivable relating to uninsured plans .....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	
18.2 Net deferred tax asset .....			0	
19. Guaranty funds receivable or on deposit .....			0	
20. Electronic data processing equipment and software .....	4,625,546	2,996,269	1,629,277	1,388,975
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	1,845	1,845	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	
23. Receivables from parent, subsidiaries and affiliates .....	1,052,915	0	1,052,915	1,950,862
24. Health care (\$ .....2,543,906 ) and other amounts receivable .....	3,173,559	619,166	2,554,393	705,508
25. Aggregate write-ins for other than invested assets .....	1,130,592	1,130,592	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	96,290,313	5,229,701	91,060,612	80,293,413
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	
28. Total (Lines 26 and 27)	96,290,313	5,229,701	91,060,612	80,293,413
DETAILS OF WRITE-INS				
1101. ....			0	
1102. ....			0	
1103. ....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid Assets .....	1,130,592	1,130,592	0	
2502. ....			0	
2503. ....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,130,592	1,130,592	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ .....293,500 reinsurance ceded) .....	15,742,251	461,222	16,203,473	13,723,322
2. Accrued medical incentive pool and bonus amounts .....	464,000		464,000	587,843
3. Unpaid claims adjustment expenses.....	302,867		302,867	258,078
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	0		0	
5. Aggregate life policy reserves.....	0		0	
6. Property/casualty unearned premium reserves.....	0		0	
7. Aggregate health claim reserves.....	0		0	
8. Premiums received in advance.....	2,351,430		2,351,430	1,686,283
9. General expenses due or accrued.....	2,572,563		2,572,563	4,080,942
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....	0		0	
10.2 Net deferred tax liability.....	0		0	
11. Ceded reinsurance premiums payable.....	16,680		16,680	159,345
12. Amounts withheld or retained for the account of others.....	3,623,723		3,623,723	141,723
13. Remittances and items not allocated.....	0		0	
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current).....	0		0	
15. Amounts due to parent, subsidiaries and affiliates.....	3,425,616		3,425,616	1,477,794
16. Derivatives.....	0		0	
17. Payable for securities.....	0		0	0
18. Payable for securities lending .....	0		0	
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....	0		0	
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....	0		0	
21. Net adjustments in assets and liabilities due to foreign exchange rates .....	0		0	
22. Liability for amounts held under uninsured plans.....	0		0	
23. Aggregate write-ins for other liabilities (including \$ ..... current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	28,499,130	461,222	28,960,352	22,115,331
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	1,345,000
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	62,100,261	56,833,082
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ).....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	62,100,261	58,178,082
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	91,060,613	80,293,413
DETAILS OF WRITE-INS				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501. Health Insurers Tax .....	XXX	XXX	0	1,345,000
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	1,345,000
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	434,859	393,510
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	177,443,519	162,927,244
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	177,443,519	162,927,244
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		99,571,030	92,474,757
10. Other professional services .....		7,387,289	6,316,288
11. Outside referrals .....		0	
12. Emergency room and out-of-area .....		14,541,230	12,601,513
13. Prescription drugs .....		36,977,441	34,839,093
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		469,863	887,159
16. Subtotal (Lines 9 to 15) .....	0	158,946,853	147,118,810
<b>Less:</b>			
17. Net reinsurance recoveries .....		1,259,867	2,226,756
18. Total hospital and medical (Lines 16 minus 17) .....	0	157,686,985	144,892,055
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....3,760,981 cost containment expenses .....		5,482,482	4,934,883
21. General administrative expenses .....		17,079,170	15,373,278
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	
23. Total underwriting deductions (Lines 18 through 22).....	0	180,248,637	165,200,216
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(2,805,118)	(2,272,972)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		1,331,519	2,627,688
26. Net realized capital gains (losses) less capital gains tax of \$ .....		256,252	138,690
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	1,587,771	2,766,378
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
29. Aggregate write-ins for other income or expenses .....	0	0	(25,000)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(1,217,347)	468,406
31. Federal and foreign income taxes incurred .....	XXX		
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(1,217,347)	468,406
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. Provision for Bad Debt .....			(25,000)
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0	(25,000)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	58,178,083	59,835,118
34. Net income or (loss) from Line 32 .....	(1,217,347)	468,406
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	4,486,135	(3,210,346)
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	653,388	1,084,906
40. Change in unauthorized and certified reinsurance .....	0	
41. Change in treasury stock .....	0	
42. Change in surplus notes .....	0	
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	
44.2 Transferred from surplus (Stock Dividend).....	0	
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	3,922,176	(1,657,035)
49. Capital and surplus end of reporting period (Line 33 plus 48)	62,100,258	58,178,083
DETAILS OF WRITE-INS		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	178,496,558	162,802,751
2. Net investment income .....	1,326,208	2,626,579
3. Miscellaneous income .....	202,343	1,158,853
4. Total (Lines 1 through 3) .....	180,025,109	166,588,183
5. Benefit and loss related payments .....	156,999,546	149,593,876
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	24,025,242	20,944,745
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	0	0
10. Total (Lines 5 through 9) .....	181,024,788	170,538,621
11. Net cash from operations (Line 4 minus Line 10) .....	(999,679)	(3,950,438)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	0	0
12.2 Stocks .....	2,835,276	1,675,980
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	4	0
12.7 Miscellaneous proceeds .....	0	787,213
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	2,835,280	2,463,193
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	0	0
13.2 Stocks .....	2,133,121	6,904,745
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	517,275
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	787,213
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	2,133,121	8,209,233
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	702,159	(5,746,040)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	6,624,304	(862,854)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	6,624,304	(862,854)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	6,326,783	(10,559,332)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	17,199,210	27,758,542
19.2 End of year (Line 18 plus Line 19.1) .....	23,525,994	17,199,210

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	177,443,519	177,443,519						0		
2. Change in unearned premium reserves and reserve for rate credit .....	0									
3. Fee-for-service (net of \$ ..... medical expenses) .....	0									XXX
4. Risk revenue .....	0									XXX
5. Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6) .....	177,443,519	177,443,519	0	0	0	0	0	0	0	0
8. Hospital/medical benefits .....	99,571,030	99,571,030						0		XXX
9. Other professional services .....	7,387,289	7,387,289						0		XXX
10. Outside referrals .....	0	0						0		XXX
11. Emergency room and out-of-area .....	14,541,230	14,541,230						0		XXX
12. Prescription drugs .....	36,977,441	36,977,441						0		XXX
13. Aggregate write-ins for other hospital and medical .....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	469,863	469,863						0		XXX
15. Subtotal (Lines 8 to 14) .....	158,946,853	158,946,853	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries .....	1,259,867	1,259,867						0		XXX
17. Total medical and hospital (Lines 15 minus 16) .....	157,686,985	157,686,985	0	0	0	0	0	0	0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....3,760,982 cost containment expenses .....	5,482,481	5,482,481						0		
20. General administrative expenses .....	17,079,169	17,079,169						0		
21. Increase in reserves for accident and health contracts .....	0									XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	180,248,635	180,248,635	0	0	0	0	0	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	(2,805,116)	(2,805,116)	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS .....	0									XXX
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	XXX
0601. ....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....	0									XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	179,117,240	0	1,673,721	177,443,519
2. Medicare Supplement .....				0
3. Dental only .....				0
4. Vision only .....				0
5. Federal Employees Health Benefits Plan .....	0			0
6. Title XVIII - Medicare .....	0			0
7. Title XIX - Medicaid .....	0			0
8. Other health .....				0
9. Health subtotal (Lines 1 through 8) .....	179,117,240	0	1,673,721	177,443,519
10. Life .....	0			0
11. Property/casualty .....	0			0
12. Totals (Lines 9 to 11)	179,117,240	0	1,673,721	177,443,519



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	157,339,021	157,339,021						0	0	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	933,180	933,180						0		
1.4 Net	156,405,841	156,405,841	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	593,706	593,706						0		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	16,496,973	16,496,973	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	293,500	293,500	0	0	0	0	0	0	0	0
3.4 Net	16,203,473	16,203,473	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	464,000	464,000						0		
6. Net healthcare receivables (a)	1,302,682	1,302,682						0		
7. Amounts recoverable from reinsurers December 31, current year	931,935	931,935						0		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	14,056,322	14,056,322	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	333,000	333,000	0	0	0	0	0	0	0	0
8.4 Net	13,723,322	13,723,322	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	587,843	587,843						0		
11. Amounts recoverable from reinsurers December 31, prior year	565,748	565,748						0		
12. Incurred Benefits:										
12.1 Direct	158,476,991	158,476,991	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	1,259,867	1,259,867	0	0	0	0	0	0	0	0
12.4 Net	157,217,123	157,217,123	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	469,863	469,863	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	1,317,842	1,317,842						.0		
1.2 Reinsurance assumed .....	.0									
1.3 Reinsurance ceded .....	.0									
1.4 Net .....	1,317,842	1,317,842	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:										
2.1 Direct .....	15,179,131	15,179,131						.0		
2.2 Reinsurance assumed .....	.0									
2.3 Reinsurance ceded .....	293,500	293,500						.0		
2.4 Net .....	14,885,631	14,885,631	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.0									
3.2 Reinsurance assumed .....	.0									
3.3 Reinsurance ceded .....	.0									
3.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:										
4.1 Direct .....	16,496,973	16,496,973	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	293,500	293,500	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net .....	16,203,473	16,203,473	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....	12,840,583	148,329,868	14,246	16,189,227	12,854,830	13,723,322
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....					0	0
7. Title XIX - Medicaid .....					0	0
8. Other health .....					0	0
9. Health subtotal (Lines 1 to 8) .....	12,840,583	148,329,868	14,246	16,189,227	12,854,830	13,723,322
10. Healthcare receivables (a) .....	3,123,318	2,007,479	17,514	3,145,559	3,140,832	1,860,391
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	593,706	0	0	464,000	593,706	587,843
13. Totals (Lines 9 - 10 + 11 + 12)	10,310,971	146,322,389	(3,268)	13,507,668	10,307,703	12,450,774

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	9,943	9,932	9,935	9,935	14,016
2.	2012 .....	136,237	150,686	150,739	150,722	150,722
3.	2013 .....	XXX	128,299	143,333	143,395	143,395
4.	2014 .....	XXX	XXX	129,596	144,381	144,344
5.	2015 .....	XXX	XXX	XXX	136,547	150,019
6.	2016 .....	XXX	XXX	XXX	XXX	148,330

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	9,943	9,932	9,935	9,935	14,016
2.	2012 .....	136,237	150,686	150,739	150,722	150,722
3.	2013 .....	XXX	128,299	143,333	143,395	143,395
4.	2014 .....	XXX	XXX	129,596	144,524	144,344
5.	2015 .....	XXX	XXX	XXX	150,715	150,033
6.	2016 .....	XXX	XXX	XXX	XXX	164,983

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2012 .....	160,698	150,722	3,979	2.6	154,701	96.3	0	0	154,701	96.3
2. 2013 .....	159,182	143,395	3,709	2.6	147,104	92.4	0	0	147,104	92.4
3. 2014 .....	159,841	144,344	3,821	2.6	148,165	92.7	0	0	148,165	92.7
4. 2015 .....	164,838	150,019	4,917	3.3	154,936	94.0	14	0	154,950	94.0
5. 2016 .....	179,117	148,330	5,438	3.7	153,768	85.8	16,653	303	170,724	95.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	128	127	127	127	
2.	2012 .....	2,312	2,522	2,522	2,522	2,522
3.	2013 .....	XXX	1,913	2,123	2,126	2,126
4.	2014 .....	XXX	XXX	38	38	38
5.	2015 .....	XXX	XXX	XXX	0	
6.	2016 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	128	127	127	127	
2.	2012 .....	2,312	2,522	2,522	2,522	2,522
3.	2013 .....	XXX	1,913	2,123	2,126	2,126
4.	2014 .....	XXX	XXX	38	38	38
5.	2015 .....	XXX	XXX	XXX	0	
6.	2016 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1.	2012 .....	2,162	2,522	65	2.6	2,587	119.7			2,587	119.7
2.	2013 .....	1,692	2,126	47	2.2	2,173	128.4			2,173	128.4
3.	2014 .....	50	38	45	118.4	83	166.0			83	166.0
4.	2015 .....	0			0.0	0	0.0			0	0.0
5.	2016 .....				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	3,953	3,953	3,956	3,956	
2.	2012 .....	43,953	51,252	51,262	51,262	51,262
3.	2013 .....	XXX	37,038	37,571	37,572	37,572
4.	2014 .....	XXX	XXX		0	
5.	2015 .....	XXX	XXX	XXX	0	
6.	2016 .....	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	3,954	3,956	3,956	4,046	
2.	2012 .....	43,953	51,262	51,262	51,262	51,262
3.	2013 .....	XXX	37,038	37,571	37,572	37,572
4.	2014 .....	XXX	XXX		0	
5.	2015 .....	XXX	XXX	XXX	0	
6.	2016 .....	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2012 .....	5,124	51,262	148	0.3	51,410	1,003.3			51,410	1,003.3
2. 2013 .....	3,857	37,572	111	0.3	37,683	977.0			37,683	977.0
3. 2014 .....				0.0	0	0.0			0	0.0
4. 2015 .....				0.0	0	0.0			0	0.0
5. 2016 .....				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	14,024	14,012	14,018	14,018	14,016
2.	2012 .....	182,502	204,460	204,523	204,506	204,506
3.	2013 .....	XXX	167,250	183,027	183,093	183,093
4.	2014 .....	XXX	XXX	129,634	144,419	144,382
5.	2015 .....	XXX	XXX	XXX	136,547	150,019
6.	2016 .....	XXX	XXX	XXX	XXX	148,330

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior .....	14,025	14,015	14,018	14,108	14,016
2.	2012 .....	182,502	204,470	204,523	204,506	204,506
3.	2013 .....	XXX	167,250	183,027	183,093	183,093
4.	2014 .....	XXX	XXX	129,634	144,562	144,382
5.	2015 .....	XXX	XXX	XXX	150,715	150,033
6.	2016 .....	XXX	XXX	XXX	XXX	164,983

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2012 .....	167,984	204,506	4,192	2.0	208,698	124.2	0	0	208,698	124.2
2. 2013 .....	164,731	183,093	3,867	2.1	186,960	113.5	0	0	186,960	113.5
3. 2014 .....	159,891	144,382	3,866	2.7	148,248	92.7	0	0	148,248	92.7
4. 2015 .....	164,838	150,019	4,917	3.3	154,936	94.0	14	0	154,950	94.0
5. 2016 .....	179,117	148,330	5,438	3.7	153,768	85.8	16,653	303	170,724	95.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....									
5. Aggregate write-ins for other policy reserves .....									
6. Totals (gross) .....									
7. Reinsurance ceded .....									
8. Totals (Net)(Page 3, Line 4) .....									
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. Totals (gross) .....									
13. Reinsurance ceded .....									
14. Totals (Net)(Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....									
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

(a) Includes \$ ..... premium deficiency reserve.



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....	120,266	55,049	546,147	0	721,462
2. Salary, wages and other benefits .....	1,140,323	521,956	5,178,375	0	6,840,654
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....	233,350	106,810	1,059,675	0	1,399,835
4. Legal fees and expenses .....	1,341	614	6,092	0	8,047
5. Certifications and accreditation fees .....	17,259	7,900	78,374	0	103,533
6. Auditing, actuarial and other consulting services ....	283,281	129,665	1,286,422	0	1,699,368
7. Traveling expenses .....	0	0	0	0	0
8. Marketing and advertising .....	38,023	17,404	172,666	0	228,093
9. Postage, express and telephone .....	25,323	11,591	114,994	0	151,908
10. Printing and office supplies .....	90,663	41,499	411,714	0	543,876
11. Occupancy, depreciation and amortization .....	218,277	99,911	991,229	0	1,309,417
12. Equipment .....	716	328	3,250	0	4,294
13. Cost or depreciation of EDP equipment and software .....	0	0	0	0	0
14. Outsourced services including EDP, claims, and other services .....	798,511	365,499	3,626,153	0	4,790,163
15. Boards, bureaus and association fees .....	1,287	589	5,845	0	7,721
16. Insurance, except on real estate .....	11,504	5,266	52,242	0	69,012
17. Collection and bank service charges .....	26,679	12,212	121,154	0	160,045
18. Group service and administration fees .....	131,329	60,113	596,385	0	787,827
19. Reimbursements by uninsured plans .....	0	0	0	0	0
20. Reimbursements from fiscal intermediaries .....	0	0	0	0	0
21. Real estate expenses .....	0	0	0	0	0
22. Real estate taxes .....	7,963	3,645	36,163	0	47,771
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	198,489	90,854	901,367	0	1,190,710
23.2 State premium taxes .....	0	0	0	0	0
23.3 Regulatory authority licenses and fees .....	332,055	151,990	1,507,911	0	1,991,956
23.4 Payroll taxes .....	69,969	32,027	317,741	0	419,737
23.5 Other (excluding federal income and real estate taxes) .....	0	0	0	0	0
24. Investment expenses not included elsewhere .....	0	0	0	100,840	100,840
25. Aggregate write-ins for expenses .....	14,373	6,579	65,271	0	86,223
26. Total expenses incurred (Lines 1 to 25) .....	3,760,981	1,721,501	17,079,170	100,840	(a) 22,662,492
27. Less expenses unpaid December 31, current year ..	207,767	95,100	2,572,563	0	2,875,430
28. Add expenses unpaid December 31, prior year .....	177,042	81,037	4,080,942	0	4,339,020
29. Amounts receivable relating to uninsured plans, prior year .....					0
30. Amounts receivable relating to uninsured plans, current year .....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	3,730,256	1,707,438	18,587,549	100,840	24,126,082
DETAILS OF WRITE-INS					
2501. Other .....	14,373	6,579	65,271	0	86,223
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	14,373	6,579	65,271	0	86,223

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....	.....
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) .....	.....
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	1,415,809	1,415,809
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....	.....
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments .....	(e) 21,862	16,550
7	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	0	0
10.	Total gross investment income .....	1,437,671	1,432,359
11.	Investment expenses .....	.....	(g) 100,840
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) 0
13.	Interest expense .....	.....	(h) .....
14.	Depreciation on real estate and other invested assets .....	.....	(i) .....
15.	Aggregate write-ins for deductions from investment income .....	.....	0
16.	Total deductions (Lines 11 through 15) .....	.....	100,840
17.	Net investment income (Line 10 minus Line 16)	.....	1,331,519
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)	.....	0

- (a) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$. ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	0	0	0	0	0
1.1	Bonds exempt from U.S. tax .....	.....	.....	0	.....	.....
1.2	Other bonds (unaffiliated) .....	0	0	0	0	0
1.3	Bonds of affiliates .....	0	0	0	0	0
2.1	Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11	Preferred stocks of affiliates .....	0	0	0	0	0
2.2	Common stocks (unaffiliated) .....	256,248	0	256,248	615,339	0
2.21	Common stocks of affiliates .....	0	0	0	3,346,416	0
3.	Mortgage loans .....	.....	0	0	0	0
4.	Real estate .....	.....	0	0	.....	0
5.	Contract loans .....	.....	.....	0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	4	.....	4	1,314	.....
7.	Derivative instruments .....	.....	.....	0	.....	.....
8.	Other invested assets .....	.....	0	0	523,066	0
9.	Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10.	Total capital gains (losses)	256,252	0	256,252	4,486,135	0
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....	445,679		(445,679)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	445,679	0	(445,679)
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	36,150	20,184	(15,966)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....			0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....	2,996,269	3,511,614	515,345
21. Furniture and equipment, including health care delivery assets .....	1,845	3,852	2,007
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable .....	619,166	1,366,398	747,232
25. Aggregate write-ins for other than invested assets .....	1,130,592	981,041	(149,551)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	5,229,701	5,883,089	653,388
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	5,229,701	5,883,089	653,388
DETAILS OF WRITE-INS			
1101. ....			0
1102. ....			0
1103. ....			0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. PREPAIDS .....	1,130,592	981,041	(149,551)
2502. ....			0
2503. ....			0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	1,130,592	981,041	(149,551)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	33,972	39,741	39,766	36,193	36,158	434,859
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	33,972	39,741	39,766	36,193	36,158	434,859
DETAILS OF WRITE-INS						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

NOTE 1
Summary of Significant Accounting Policies and Going Concern
1.Summary of Significant Accounting Policies and Going Concern
A.Accounting Practices

	SSAP #	F/S Page	F/S Line #	2016	2015
NET INCOME					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	(1,217,347)	468,406
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:					
(3) State Permitted Practices that increase/(decrease) NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	(1,217,347)	468,406
SURPLUS					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	62,100,261	58,178,082
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:					
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	62,100,261	58,178,082

B. Use of Estimates
In preparing the financial statements in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

- 1. Short term investments are stated at amortized cost or at market value depending upon the respective investment.
- 2. Bonds
Not applicable
- 3. Common stocks are stated at market value.
- 4. Preferred stocks
Not applicable
- 5. Mortgage loans
Not applicable
- 6. Loan-backed securities
Not applicable
- 7. Investments in subsidiaries, controlled and affiliated companies
PHP records its investment in Sparrow PHP, a wholly owned subsidiary licensed as a Health Maintenance Organization (HMO) by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.
PHP records its investment in PHP Service Company, a wholly owned subsidiary licensed as a Third Party Administrator by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.
PHP records its investment in PHP Insurance Company, a wholly owned subsidiary licensed by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.
- 8. Investments in joint ventures, partnerships and limited liability companies
Not applicable
- 9. Derivatives
Not applicable
- 10. Premium deficiency reserves
Not applicable
- 11. Estimating the liabilities for losses and loss/claim adjustment expenses: Estimates on unpaid losses are based upon the plan's past experience, individual case estimates and an estimate for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. Loss/claim adjustment expenses related to claims are accrued based on estimates of expenses to process those claims.
- 12. PHP has not modified its capitalization from the prior period.
- 13. Estimating pharmaceutical rebate receivables: Estimates on pharmaceutical rebate receivables are based on historical per member data for periods in which the rebates have been substantially received. This estimate is applied to periods in which future balances are expected, reduced by receipts to-date.

STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

D. Going Concern  
The principle conditions of our current environment that would raise doubt as to the ability of the plan to continue as a going concern would include the variability and uncertainty of the current health care marketplace. While potentially significant, Management has developed plans to alleviate the potential for going concern by reviewing budgeted trends for the Health System as well as Physicians Health Plan for 2017, diversification of the products we offer on and off the marketplace, and proper underwriting for new and renewing membership.

NOTE 2  
Accounting Changes and Corrections of Errors

Not Applicable

NOTE 3  
Business Combinations and Goodwill

Not Applicable

NOTE 4  
Discontinued Operations

Not Applicable

NOTE 5  
Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans  
Not Applicable
- B. Debt Restructuring  
Not Applicable
- C. Reverse Mortgages  
Not Applicable
- D. Loan-Backed Securities  
Not Applicable
- E. Repurchase Agreements and/or Securities Lending Transactions  
Not Applicable
- F. Writedowns for Impairments of Real Estate and Retail Land Sales  
Not Applicable
- G. Low Income Housing Tax Credits  
Not Applicable

H.Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown .....			0		0	0.000	0.000
b. Collateral held under security lending agreements .....			0		0	0.000	0.000
c. Subject to repurchase agreements .....			0		0	0.000	0.000
d. Subject to reverse repurchase agreements ....			0		0	0.000	0.000
e. Subject to dollar repurchase agreements .....			0		0	0.000	0.000
f. Subject to dollar reverse repurchase agreements .....			0		0	0.000	0.000
g. Placed under option contracts .....			0		0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock .....			0		0	0.000	0.000
i. FHLB capital stock .....			0		0	0.000	0.000
j. On deposit with states .....	1,156,499	1,156,696	(197)		1,156,499	1.201	1.270
k. On deposit with other regulatory bodies .....			0		0	0.000	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements) .....			0		0	0.000	0.000
m. Pledged as collateral not captured in other categories .....			0		0	0.000	0.000
n. Other restricted assets .....			0		0	0.000	0.000
o. Total Restricted Assets .....	1,156,499	1,156,696	(197)	0	1,156,499	1.201	1.270

- (a) Column 1 divided by Asset Page, Column 1, Line 28  
(b) Column 5 divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)  
Not Applicable
3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)  
Not Applicable
4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements  
Not Applicable

- I. Working Capital Finance Investments  
Not Applicable
- J. Offsetting and Netting of Assets and Liabilities  
Not Applicable

STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

K. Structured Notes  
Not Applicable

L. 5\* Securities  
Not Applicable

NOTE 6  
Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

NOTE 7  
Investments Income

A. Accrued Investment Income  
The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted  
Not applicable.

NOTE 8  
Derivatives Instruments

Not Applicable

NOTE 9  
Income Taxes

PHP is exempt from income taxes under Section 501 (c) (4) of the Internal Revenue Code.

NOTE 10  
Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A, B, C, D, E, F, G

PHP is a controlled entity of Sparrow Health System (SHS). Certain administrative expenses such as payroll are processed under a centralized Sparrow system. The financial statements have been prepared from separate records maintained by Sparrow, with certain expense items representing allocations from Sparrow.

PHP has a contract with Physicians Health Network (PHN). PHP members obtain medical services from PHN.

Sparrow PHP is a not-for-profit HMO organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to Sparrow PHP for services which apply to the Sparrow PHP participants.

PHP Insurance Company (PHP IC) is a for-profit company organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to PHP IC for services which apply directly to PHP IC.

PHP Service Company (PHP SC) is a for-profit company organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to PHP SC for services which apply directly to PHP SC.

Name of Insurers and Parent, Subsidiaries or Affiliates	Capital Contributions	Management Agreements and Service Contacts
Physicians Health Network		\$157,706,208
Physicians Health Plan		(\$162,841,548)
Sparrow PHP		(\$373,656)
PHP Service Company		(\$4,022,398)
PHP Insurance Company		(\$3,568,307)
Sparrow Health System		\$13,099,702

H . Amount Deducted for Investment in Upstream Company

Not Applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Detail of investment in Sparrow PHP as of December 31, 2016 and 2015 is as follows:

Summary of Balance Sheets (Statutory-Basis) (in thousands)			Summary of Statements of Operations (Statutory-Basis) (in thousands)		
	December 31			Year Ended December 31	
	2016	2015		2016	2015
Cash and investments	\$ 12,398	\$ 19,818	Revenues	\$ 1,190	\$ 91,870
Other assets	\$ 39	\$ 4,811	Expenses	(939)	(89,421)
Total admitted assets	\$ 12,437	\$ 24,629	Investment income	263	445
Claims unpaid	\$ 50	\$ 6,599	Net income	\$ 514	\$ 2,894
Other liabilities	842	7,008			
Capital and surplus	11,545	11,022			
Total liabilities and shareholder's equity	\$ 12,437	\$ 24,629			

STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

Detail of investment in PHP Insurance Company as of December 31, 2016 and 2015 is as follows:

Summary of Balance Sheets (Statutory-Basis) (in thousands)			Summary of Statements of Operations (Statutory-Basis) (in thousands)		
	December 31			Year Ended December 31	
	2016	2015		2016	2015
Cash and investments	\$ 15,012	\$ 13,591	Revenues	\$ 35,704	\$ 42,940
Other assets	\$ 1,204	\$ 371	Expenses	(32,067)	(45,332)
Total admitted assets	\$ 16,216	\$ 13,962	Investment income (loss)	24	(8)
			Income tax expense	(764)	(5)
Claims unpaid	\$ 2,850	\$ 3,850			
Other liabilities	1,805	1,668	Net income	\$ 2,897	\$ (2,405)
Capital and surplus	11,561	8,444			
Total liabilities and shareholder's equity	\$ 16,216	\$ 13,962			

J. Writedowns for Impairment of Investments in Affiliates  
Not Applicable

K. Foreign Subsidiary Valued Using CARVM  
Not Applicable

L. Downstream Holding Company Valued Using Look-Through Method  
Not Applicable

M.All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
.....	.....	.....	.....	.....
Total SSAP No. 97 8a Entities	XXX	..... 0	.....0	.....0
b. SSAP No. 97 8b(ii) Entities				
.....	.....	.....	.....	.....
Total SSAP No. 97 8b(ii) Entities	XXX	..... 0	.....0	.....0
c. SSAP No. 97 8b(iii) Entities				
PHP Service Company .....	100.0	.....445,679	.....0	.....445,679
Total SSAP No. 97 8b(iii) Entities	XXX	.....445,679	..... 0	.....445,679
d. SSAP No. 97 8b(iv) Entities				
.....	.....	.....	.....	.....
Total SSAP No. 97 8b(iv) Entities	XXX	..... 0	.....0	.....0
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	..... 445,679	.....0	.....445,679
f. Aggregate Total (a+ e)	XXX	..... 445,679	.....0	.....445,679

(2) NAIC Filing Response Information

Sub-1 filing required for PHP Service Company will be completed by the company before the September 30, 2017 deadline for nonadmitted investment holdings.

N. Investment in Insurance SCAs  
Not Applicable

NOTE 11  
Debt

Not Applicable

NOTE 12  
Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Some PHP employees are covered by a noncontributory pension plan sponsored by SHS (the "Plan"). Pension benefits under the Plan are based on years of service and the employee's compensation during the last five years of employment. The policy of the Plan is to contribute an amount equal to or at least the actuarially determined minimum funding requirement. Contributions are intended to provide for benefits attributed to service to date and for those expected to be earned in the future. Plan assets are invested primarily in equities and fixed income securities. Other PHP employees are covered by an approved 401(k) program. PHP paid \$644,000 and \$608,000 to SHS in 2016 and 2015, respectively, for their pension costs.

NOTE 13  
Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

(1) Outstanding Stock

Not applicable

(2) Dividend Rate of Preferred Stock

Not applicable



STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

(3) (4) (5) (6) Dividend Restrictions

The amount of dividends which can be paid by the state of Michigan insurance companies to shareholders without prior approval by DIFS (the Commissioner of Insurance) is subject to restrictions relating to statutory surplus. Dividends may only be paid out of the surplus earnings of the PHP. There is currently no dividend payable.

(7) Mutual Advances to Surplus

Not applicable

(8) Company Stock Held for Special Purposes

Not applicable

(9) Changes in Special Surplus Funds

Not applicable

(10) Changes in Unassigned Funds

Not applicable

(11) Surplus Notes

Not applicable

(12) (13) Quasi Reorganizations

Not applicable

NOTE 14  
Liabilities, Contingencies and Assessments

Not Applicable

NOTE 15  
Leases

Not Applicable

NOTE 16  
Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not Applicable

NOTE 17  
Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable

NOTE 18  
Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not Applicable

NOTE 19  
Direct Premium Written / Produced by Managing General Agents / Third Party Administrators

Not Applicable

NOTE 20  
Fair Value Measurement

- A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value  
(1) Items Measured at Fair Value by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded common stocks and mutual funds. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are therefore classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category, for items measured at fair value on a recurring basis, includes bonds which are not exchange traded and common stock of a subsidiary which is valued using an adjusted market method. The estimated fair values of some of these bonds were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded. The Company has no Level 2 assets or liabilities.

Level 3 - Significant Unobservable Inputs: The Company has no Level 3 assets or liabilities.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Mutual Funds .....	35,868,151	.....	.....	35,868,151
Short-Term Investments .....	26,511,385	.....	.....	26,511,385
Total assets at fair value	62,379,536	..... 0	.....0	62,379,536

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below.

No transfers between Levels 1 and 2 occurred during the current year.

(2) Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category.

(3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

The Company has no assets or liabilities measured at fair value in the Level 2 or 3 categories.  
(5) Derivative Fair Values

Not applicable.

B. Other Fair Value Disclosures

Not applicable.

C.Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Mutual Funds .....	.....35,868,151	..... 35,868,151	..... 35,868,151	.....	.....	..... 0
Short term investments .....	.....26,511,385	..... 26,511,385	..... 26,511,385	.....	.....	..... 0

D. Not Practicable to Estimate Fair Value

Not applicable

NOTE 21

Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

No Significant Change

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-Transferable Tax Credits

Not applicable

F. Subprime Mortgage Related Risk Exposure

Not applicable

G. Retained Assets

Not applicable

H. Insurance-Linked Securities (ILS) Contracts

Not applicable

NOTE 22

Events Subsequent

Type II - Nonrecognized Subsequent Events:

	Current Year	Prior Year
A.Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? .....	YES	
B.ACA fee assessment payable for the upcoming year .....	\$ ..... 0	\$ ..... 1,345,000
C.ACA fee assessment paid .....	\$ ..... 1,207,588	\$ ..... 1,252,509
D.Premium written subject to ACA 9010 assessment .....	\$ ..... 179,117,240	\$ ..... 166,816,273
E.Total Adjusted Capital before surplus adjustment .....	\$ ..... 62,100,261	
(Five-Year Historical Line 14)		
F.Total Adjusted Capital after surplus adjustment .....	\$ ..... 62,100,261	
(Five-Year Historical Line 14 minus 22B above)		
G.Authorized Control Level .....	\$ ..... 11,327,911	
(Five-Year Historical Line 15)		
H.Would reporting the ACA assessment as of Dec. 31, 2016 have triggered an RBC action level (YES/NO)? .....	NO	

Note 23

Reinsurance

A. Ceded Reinsurance Report

Section 1 General Interrogatories

- (1)

Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
Yes ( ) No (x)
- (2)

Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
Yes ( ) No (x)

Section 2 Ceded Reinsurance Report - Part A.

- (1)

Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credit?  
Yes ( ) No (x)

STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

- (2)

Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsured of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes (   )      No (x)
- Section 3

Ceded Reinsurance Report - Part B.
- (1)

What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in    Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement?    Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.    \$0.00
- (2)

Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement to include policies or contracts which were in force or which had existing reserves established by the company as of the effective date of the agreement?  
Yes (   )      No (x)

- B.

Uncollectible Reinsurance  
Not Applicable
- C.

Commutation of Ceded Reinsurance  
Not Applicable
- D.

Certified Reinsurer Rating Downgraded or Status Subject to Revocation  
Not Applicable

NOTE 24  
Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A-C.

The Company does not participate in traditional retrospectively rated contracts.
- D.

Medical loss ratio rebates required pursuant to the Public Health Service Act.  
Not applicable
- E.

Risk Sharing Provisions of the Affordable Care Act  
(1)Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? ..... Yes [ X ]    No [   ]

		AMOUNT
a.Permanent ACA Risk Adjustment Program		
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment .....		0
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment .....	17,301	
3. Premium adjustments payable due to ACA Risk Adjustment .....	3,516,951	
Operations (Revenue & Expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment .....	3,534,252	
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) .....	0	
b.Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance .....	123,019	
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) .....	0	
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance .....	0	
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium .....	0	
5. Ceded reinsurance premiums payable due to ACA Reinsurance .....	0	
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance .....	0	
Operations (Revenue & Expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance .....	88,668	
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments .....	0	
9. ACA Reinsurance contributions – not reported as ceded premium .....	890,133	
c.Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due to ACA Risk Corridors .....	0	
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors .....	0	
Operations (Revenue & Expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received) .....	0	
4. Effect of ACA Risk Corridors on change in reserves for rate credits .....	0	

STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable .....					0	0			A	0	0
2. Premium adjustments (payable) .....		1,182,580		1,016,738	0	165,842		(165,842)	B	0	0
3. Subtotal ACA Permanent Risk Adjustment Program .....	0	1,182,580	0	1,016,738	0	165,842	0	(165,842)		0	0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid .....	158,521		167,385		(8,864)	0	8,864		C	0	0
2. Amounts recoverable for claims unpaid (contra liability) .....					0	0			D	0	0
3. Amounts receivable relating to uninsured plans .....					0	0			E	0	0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium .....					0	0			F	0	0
5. Ceded reinsurance premiums payable .....					0	0			G	0	0
6. Liability for amounts held under uninsured plans .....					0	0			H	0	0
7. Subtotal ACA Transitional Reinsurance Program .....	158,521	0	167,385	0	(8,864)	0	8,864	0		0	0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium .....		18,000			0	18,000		(18,000)	I	0	0
2. Reserve for rate credits or policy experience rating refunds .....					0	0			J	0	0
3. Subtotal ACA Risk Corridors Program .....	0	18,000	0	0	0	18,000	0	(18,000)		0	0
d. Total for ACA Risk Sharing Provisions	158,521	1,200,580	167,385	1,016,738	(8,864)	183,842	8,864	(183,842)		0	0

Explanations of Adjustments

- A.
- B. Adjustment is required to record the 2015 Risk Adjustment Liability at the actual amount owed per the transfer notice issued June 2016.
- C. Adjustment is required to record the final 2015 Transitional Reinsurance recoveries to actual.
- D.
- E.
- F.
- G.
- H.
- I. As the information related to the year ended December 31, 2016 became more complete, it was proper to write off the payable related to the Risk Corridor program.
- J.

STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
					5	6	7	8		9	10
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	Ref	9 Receivable	10 (Payable)
a. 2014											
1. Accrued retrospective premium .....					0	0			A	0	0
2. Reserve for rate credits or policy experience rating refunds .....					0	0			B	0	0
b. 2015											
1. Accrued retrospective premium .....					0	0			C	0	0
2. Reserve for rate credits or policy experience rating refunds .....		18,000			0	18,000		(18,000)	D	0	0
c. 2016											
1. Accrued retrospective premium .....					0	0			E	0	0
2. Reserve for rate credits or policy experience rating refunds .....					0	0			F	0	0
d. Total for Risk Corridors	0	18,000	0	0	0	18,000	0	(18,000)		0	0

Explanations of Adjustments

- A.
- B.
- C.
- D.
- E.
- F.

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4 - 5)
a. 2014 .....				0		0
b. 2015 .....				0		0
c. 2016 .....				0		0
d. Total (a + b + c)	0	0	0	0	0	0

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

**Note 25**  
**Change in Incurred Claims and Claim Adjustment Expenses**

Reserves as of December 31, 2015 were \$13.7 million. As of December 31, 2016, \$12.9 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$14,000 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been favorable prior-year development of approximately \$854,000 since December 31, 2015 to December 31, 2016. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates increase or decrease, as additional information becomes known regarding individual claims.

**Note 26**  
**Intercompany Pooling Arrangements**

Not Applicable

**Note 27**  
**Structured Settlements**

Not Applicable

STATEMENT AS OF December 31, 2016 OF THE PHYSICIANS HEALTH PLAN

NOTE 28  
Health Care Receivables

A. Healthcare receivables include pharmacy rebates PHP receives from third party vendors. These rebates are calculated using estimates based on per claim guarantee calculations, historical rebate trends and membership. Activity for the previous three years is summarized as follows:

Date	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2016	1193	1193	0	0	0
9/30/2016	1133	1133	0	0	0
6/30/2016	1157	1157	921	0	0
3/31/2016	1318	1318	0	1087	0
12/31/2015	671	671	300	742	15
9/30/2015	669	669	282	30	763
6/30/2015	647	647	0	402	614
3/31/2015	597	597	0	276	564
12/31/2014	784	784	0	815	0
9/30/2014	798	798	0	0	468
6/30/2014	804	804	0	0	425
3/31/2014	806	806	0	0	412

B. Risk-Sharing Receivables  
Not applicable

Note 29  
Participating Policies

Not Applicable

Note 30  
Premium Deficiency Reserves

Not Applicable

Note 31  
Anticipated Salvage and Subrogation

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ X ] No [ ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....

Yes [ X ] No [ ] N/A [ ]

1.3

State Regulating? .....

Michigan

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [ X ]

2.2

If yes, date of change: .....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2015

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2015

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

10/06/2016

3.4

By what department or departments?  
Michigan Department of Insurance and Financial Services .....

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ X ] No [ ] N/A [ ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ X ] No [ ] N/A [ ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ] No [ X ]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? .....

Yes [ ] No [ X ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes [ ] No [ X ]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.  
.....

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
ERNST & YOUNG LLP, SUITE 1000, ONE KENNEDY SQUARE, 777 WOODWARD AVENUE, DETROIT, MI 48226
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? .....

Yes [ ] No [ X ]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? .....

Yes [ ] No [ X ]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? .....

Yes [ X ] No [ ] N/A [ ]
- 10.6

If the response to 10.5 is no or n/a, please explain  
.....
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Erik C. Huth, FSA, MAAA, Brookfield, WI (Milliman) .....
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? .....

Yes [ ] No [ X ]
- 12.11

Name of real estate holding company .....
- 12.12

Number of parcels involved .....
- 12.13

Total book/adjusted carrying value .....

\$ .....
- 12.2

If, yes provide explanation:  
.....
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
None .....
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? .....

Yes [ X ] No [ ]
- 13.3

Have there been any changes made to any of the trust indentures during the year? .....

Yes [ ] No [ X ]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? .....

Yes [ ] No [ ] N/A [ X ]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? .....

Yes [ X ] No [ ]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:  
.....
- 14.2

Has the code of ethics for senior managers been amended? .....

Yes [ ] No [ X ]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers? .....

Yes [ ] No [ X ]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- Yes [ ] No [ X ]

1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?
- Yes [ X ] No [ ]
- Yes [ X ] No [ ]
- Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers
- 20.12 To stockholders not officers
- 20.13 Trustees, supreme or grand (Fraternal Only)
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers
- 20.22 To stockholders not officers
- 20.23 Trustees, supreme or grand (Fraternal Only)
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others
- 21.22 Borrowed from others
- 21.23 Leased from others
- 21.24 Other
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment
- 22.22 Amount paid as expenses
- 22.23 Other amounts paid
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes [ ] No [ X ]
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- Yes [ ] No [ X ]
- Yes [ ] No [ X ]
- \$
- \$
- \$
- Yes [ ] No [ X ]
- \$
- 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?
- Yes [ X ] No [ ]
- 
- 
- Yes [ ] No [ ] N/A [ X ]
- \$
- \$
- Yes [ ] No [ ] N/A [ X ]
- Yes [ ] No [ ] N/A [ X ]
- Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	
		25.28 On deposit with states	\$	1,156,499
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☒  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ☐ No ☒

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
BNY Mellon	One mellon Center, Pittsburgh, PA 15259-0001

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1	2
Name of Firm or Individual	Affiliation
SEI .....	U.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
105146 .....	SEI Investment Mgt Corp. ....	.....	SEC .....	DS.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
		Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund		
.....	.....	.....	.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	26,511,385	26,511,385	0
30.2 Preferred stocks .....	0		0
30.3 Totals	26,511,385	26,511,385	0

30.4 Describe the sources or methods utilized in determining the fair values:  
NAIC Accounting Practices .....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....150,009

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Health Plan Alliance .....	43,456
Michigan Association of Health Plans .....	62,260
.....	.....

34.1 Amount of payments for legal expenses, if any? .....\$ .....8,047

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Foster Swift Collins & Smith .....	8,047
.....	.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....
.....	.....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U.S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

177,443,519

164,905,761

2.2

Premium Denominator

177,443,519

162,927,244

2.3

Premium Ratio (2.1/2.2)

1.000

1.012

2.4

Reserve Numerator

16,667,473

13,723,322

2.5

Reserve Denominator

16,667,473

14,311,165

2.6

Reserve Ratio (2.4/2.5)

1.000

0.959

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ] No [ X ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [ X ] No [ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ] No [ X ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ X ] No [ ]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

400,000

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental & Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

None

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [ X ] No [ ]

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

3,946

8.2

Number of providers at end of reporting year

4,077

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ] No [ X ]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$

9.22

Business with rate guarantees over 36 months

\$

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [ ] No [ X ]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$

10.22

Amount actually paid for year bonuses

\$

10.23

Maximum amount payable withholds

\$

10.24

Amount actually paid for year withholds

\$

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [ ] No [ X ]

11.13

An Individual Practice Association (IPA), or,

Yes [ ] No [ X ]

11.14

A Mixed Model (combination of above)?

Yes [ ] No [ X ]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [ X ] No [ ]

11.3

If yes, show the name of the state requiring such minimum capital and surplus.

Michigan

11.4

If yes, show the amount required.

\$22,655,821

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [ ] No [ X ]

11.6

If the amount is calculated, show the calculation

NA

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
State of Michigan

13.1

Do you act as a custodian for health savings accounts?

Yes [ ] No [ X ]

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$

13.3

Do you act as an administrator for health savings accounts?

Yes [ ] No [ X ]

13.4

If yes, please provide the balance of funds administered as of the reporting date.

\$

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [ ] No [ ] N/A [ X ]

14.2

If the answer to 14.1 is yes, please provide the following:

1	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
Company Name						

15.

Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1

Direct Premium Written

\$

15.2

Total Incurred Claims

\$

15.3

Number of Covered Lives

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE Physicians Health Plan

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	91,060,612	80,293,413	86,287,527	83,161,867	79,948,043
2. Total liabilities (Page 3, Line 24) .....	28,960,352	22,115,331	26,452,410	24,956,453	27,221,508
3. Statutory minimum capital and surplus requirement .....	22,655,821	22,332,264	24,354,072	0	23,258,810
4. Total capital and surplus (Page 3, Line 33) .....	62,100,261	58,178,082	59,835,118	58,205,414	52,726,535
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	177,443,519	162,927,244	157,878,886	195,271,425	214,590,468
6. Total medical and hospital expenses (Line 18) .....	157,686,985	144,892,055	139,753,126	178,892,609	197,866,840
7. Claims adjustment expenses (Line 20) .....	5,482,482	4,934,883	4,351,792	3,791,978	4,268,792
8. Total administrative expenses (Line 21) .....	17,079,170	15,373,278	13,556,818	11,812,868	13,298,252
9. Net underwriting gain (loss) (Line 24) .....	(2,805,118)	(2,272,972)	217,151	773,970	(843,416)
10. Net investment gain (loss) (Line 27) .....	1,587,771	2,766,378	2,646,490	2,250,206	799,016
11. Total other income (Lines 28 plus 29) .....	0	(25,000)	0	0	25,000
12. Net income or (loss) (Line 32) .....	(1,217,347)	468,406	2,863,640	3,024,176	(19,400)
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(999,679)	(3,950,438)	4,812,313	8,627,908	(50,154)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	62,100,261	58,178,083	59,885,224	58,205,414	52,824,235
15. Authorized control level risk-based capital .....	11,327,911	11,166,149	12,177,036	12,081,121	11,629,405
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	36,158	33,972	30,136	31,901	36,614
17. Total members months (Column 6, Line 7) .....	434,859	393,510	369,118	405,089	420,519
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	88.9	88.9	88.4	109.6	119.1
20. Cost containment expenses .....	2.1	2.1	1.9	1.6	1.8
21. Other claims adjustment expenses .....	1.0	1.0	0.9	0.7	0.8
22. Total underwriting deductions (Line 23) .....	101.6	101.4	99.7	119.2	129.6
23. Total underwriting gain (loss) (Line 24) .....	(1.6)	(1.4)	0.1	0.5	(0.5)
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	10,307,703	12,335,061	13,496,903	19,438,260	14,665,077
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	12,450,774	15,353,363	17,420,491	23,084,765	18,535,039
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....		0		0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....				0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	12,006,502	8,660,087	8,777,344	8,702,138	8,982,259
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....	11,544,831	8,444,288	8,494,340	7,727,980	6,259,898
32. Total of above Lines 26 to 31 .....	23,551,333	17,104,375	17,271,684	16,430,118	15,242,157
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [        ] No [        ]

If no, please explain: .....

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
			1	Direct Business Only						
				2	3	4	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7
States, etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX				
1.	Alabama	AL	N							.0
2.	Alaska	AK	N							.0
3.	Arizona	AZ	N							.0
4.	Arkansas	AR	N							.0
5.	California	CA	N							.0
6.	Colorado	CO	N							.0
7.	Connecticut	CT	N							.0
8.	Delaware	DE	N							.0
9.	District of Columbia	DC	N							.0
10.	Florida	FL	N							.0
11.	Georgia	GA	N							.0
12.	Hawaii	HI	N							.0
13.	Idaho	ID	N							.0
14.	Illinois	IL	N							.0
15.	Indiana	IN	N							.0
16.	Iowa	IA	N							.0
17.	Kansas	KS	N							.0
18.	Kentucky	KY	N							.0
19.	Louisiana	LA	N							.0
20.	Maine	ME	N							.0
21.	Maryland	MD	N							.0
22.	Massachusetts	MA	N							.0
23.	Michigan	MI	L	179, 117, 240						179, 117, 240
24.	Minnesota	MN	N							.0
25.	Mississippi	MS	N							.0
26.	Missouri	MO	N							.0
27.	Montana	MT	N							.0
28.	Nebraska	NE	N							.0
29.	Nevada	NV	N							.0
30.	New Hampshire	NH	N							.0
31.	New Jersey	NJ	N							.0
32.	New Mexico	NM	N							.0
33.	New York	NY	N							.0
34.	North Carolina	NC	N							.0
35.	North Dakota	ND	N							.0
36.	Ohio	OH	N							.0
37.	Oklahoma	OK	N							.0
38.	Oregon	OR	N							.0
39.	Pennsylvania	PA	N							.0
40.	Rhode Island	RI	N							.0
41.	South Carolina	SC	N							.0
42.	South Dakota	SD	N							.0
43.	Tennessee	TN	N							.0
44.	Texas	TX	N							.0
45.	Utah	UT	N							.0
46.	Vermont	VT	N							.0
47.	Virginia	VA	N							.0
48.	Washington	WA	N							.0
49.	West Virginia	WV	N							.0
50.	Wisconsin	WI	N							.0
51.	Wyoming	WY	N							.0
52.	American Samoa	AS	N							.0
53.	Guam	GU	N							.0
54.	Puerto Rico	PR	N							.0
55.	U.S. Virgin Islands	VI	N							.0
56.	Northern Mariana Islands	MP	N							.0
57.	Canada	CAN	N							.0
58.	Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59.	Subtotal	XXX		179, 117, 240	.0	.0	.0	.0	179, 117, 240	.0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							.0	
61.	Total (Direct Business)	(a) 1		179, 117, 240	.0	.0	.0	.0	179, 117, 240	.0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX		.0	.0	.0	.0	.0	.0	.0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		.0	.0	.0	.0	.0	.0	.0

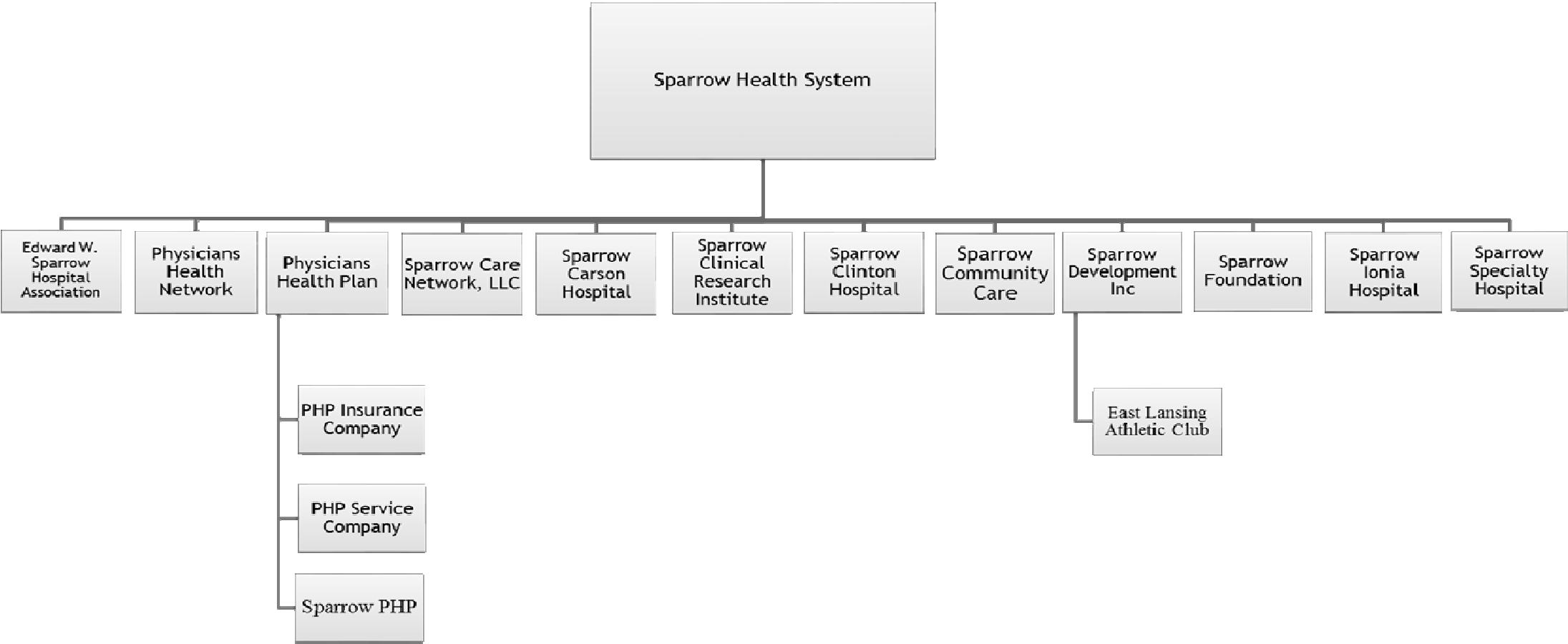
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.  
Explanation of basis of allocation by states, premiums by state, etc.

Membership  
(a) Insert the number of L responses except for Canada and Other Alien.



**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

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